

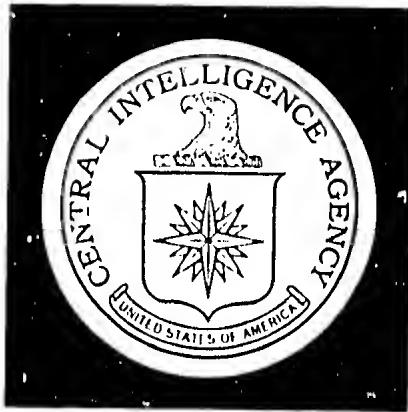
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DIRECTORATE OF  
INTELLIGENCE

# WEEKLY SUMMARY

*Special Report*

*Cuba: A New Era Begins*

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**CONFIDENTIAL****CUBA: A NEW ERA BEGINS**

Cuba's sugar harvest of 1970 was a record breaker. Production of sugar, by far the country's most important product, exceeded by more than 1.2 million tons the old record of 7.29 million tons harvested in 1952. It has been a Pyrrhic victory for the Castro regime, however, because it interfered seriously with other sectors of the economy and because it fell short of the goal of ten million tons that had been set—and adamantly reaffirmed on many occasions—by Fidel personally. Also, massive mobilizations of the population resulted in almost chaotic conditions in society generally. The population, spurred on by a monumental propaganda campaign, put forth an unprecedented effort only to find that, despite all the strains and sacrifices, no improvement in living conditions is in sight.

It is now obvious that most Cubans have suffered a letdown and are dissatisfied. Castro himself has acknowledged the existence of dissension, and refugees arriving in Miami have reported open displays of popular displeasure with shortages and governmental restrictions. One objective Western observer who spent a week in Cuba in early August reported seeing, on three occasions, unprovoked attacks on policemen by crowds of people who were dispersed only by gunfire over their heads. This dissent, however, poses no threat to the stability of the government. Demonstrations of dissatisfaction seem to be spontaneous, and those Cubans who become disaffected have no nucleus around which they can gather to offer effective resistance. Furthermore, Castro is acutely aware of the situation and is taking steps to redress some of the more outstanding grievances.

Certain of Castro's ambitious economic plans have been curtailed, and there are tentative indications that, at least in the immediate future, fewer demands will be made on the people. Some of the new measures have popular appeal and will serve to buy time for the regime. Nevertheless, they are not the fundamental changes required to stimulate the economy to an adequate rate of growth. Castro's economic difficulties and concomitant political problems will probably remain with him indefinitely.

Despite his promises of administrative and personnel changes, during this critical phase of the revolution, Castro has demonstrated hesitancy and vacillation that adds up to a serious and uncharacteristic lack of leadership. Castro may indeed be groping for solutions, or he may be finding it difficult to swallow his pride and accept the suggestions pressed upon him by his most important economic prop, the USSR. He may be waiting for the completion of upcoming Cuban-Soviet economic negotiations before making decisive moves. This year's talks presumably will be more extensive than the usual annual deliberations because the 1965-70 bilateral agreement runs out this year. For the time being, Castro appears to be following the Soviet line much more closely than previously, both in domestic matters and in international relations.

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**CONFIDENTIAL***Background*

Early attempts by the regime to free Cuba from the restrictive confines of a one-crop economy by means of rapid and diversified industriali-



Even Fidel Castro aided in the harvest.

zation were unsuccessful. By late 1963, plans for industrialization had been substantially modified downward, and the predominance of sugar had again been recognized. In the new economic scheme, the planners optimistically set a production goal of ten million metric tons of sugar for the harvest of 1970. This was to be achieved by gradually increasing production through the use of harvesters, combines, and other devices until 1970, when the entire sugar industry would be mechanized. Although production goals of 7.5, eight, and nine million tons were set for 1967, 1968, and 1969, respectively, the propaganda machine concentrated primarily on achieving the goal of the harvest in 1970. The undue emphasis placed on achieving ten million tons in 1970 worked to the detriment of earlier harvests—particularly that of 1969—and was pushed at the expense of other sectors of the economy. It did serve as a useful diversion, however, when the harvests in 1967 and 1968 fell short of the specified targets and when the disastrous harvest of 1969 barely produced 50 percent of the goal.

By January 1970, the regime's political commitment to achieving the ten-million-ton goal had become so great that the harvesting of "even one pound less" was to be considered "a great moral defeat." In addition, many Cubans apparently

*We have really worked for the ten-million-ton harvest and we won't be satisfied with a pound less than ten million tons. So if we wind up with 9,999,999 tons, it would be a great effort, very praiseworthy and all that. But we must honestly say that it would be a moral defeat. We aren't satisfied with incomplete victories. We have worked for the ten-million-ton harvest and we won't be satisfied with a pound less. A pound less than ten million tons would be—and we say it ahead of time—a moral defeat. It would be a defeat, not a victory.*

*Fidel Castro, 18 October 1969*

correlated success in achieving the goal with success in improving the economic plight of the individual. This correlation was unfounded from the beginning; most of the surplus production was earmarked for the USSR to reduce the level of Soviet economic assistance rather than to finance the import of consumer goods. Even had the ten million tons been realized, the position of the consumer would have remained substantially unchanged.

*Castro Faces the Facts*

For a variety of reasons, the harvest fell short of the goal. These included transportation bottlenecks, equipment failures, mill maintenance and refurbishing problems, mismanagement, absenteeism, low labor productivity, and general inefficiency. A series of incidents in April and May 1970 involving the infiltration of an anti-Castro guerrilla team into eastern Cuba and the subsequent kidnaping of 11 fishermen by Miami-based cohorts of the would-be guerrillas provided Castro with a convenient occasion to inform an

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aroused population on 19 May that the much-publicized production goal would not be met. This was followed by the prime minister's annual speech on 26 July in which he noted the detrimental impact that the harvest had had on other segments of the economy. Castro even admitted that conditions might get worse in the next five years.

In presenting the dismal picture, Castro made no excuses and sought no scapegoats. He

### **CUBAN PRODUCTION STATISTICS**

**Beef:** production reached 154,000 tons in 1968; 143,000 tons in 1969

**Milk:** production during January-May 1970 was down 25 percent over the same period in 1969

**Fish:** production was up by 8,000 tons in the first quarter of 1970 compared with the same period in 1969

**Cement:** production in the first five months of 1970 was 23 percent below the same period in 1968

**Steel ingots:** production in the first five months of 1970 was down 38 percent from the same period in 1969

**Nickel:** production as planned with no problems

**Fuels and lubricants:** production as planned with no problems

**Electricity:** demand has outstripped production

**Tires:** production plan only 50 percent fulfilled

**Fertilizers:** "backlog up to June of 32 percent"

**Farm machinery:** only 8 percent of the plan fulfilled

**Soap and detergents:** "production plan shows a backlog on the order of 32 percent"

**Textiles and clothing:** "production backlog of 16.3 million square meters of textiles as of June 1970"

**Transportation:** a decrease of 36 percent in the number of railroad passengers from January to April 1970

*Fidel Castro, 26 July 1970*

announced that personnel changes would be made because "some extraordinary comrades" had been "exhausted" by the strain of their efforts and the weight of their responsibilities, but he gave no hint that a "purge" was in the offing. Contrary to past practice, he announced no spectacular new political drive with which to mesmerize the people and inspire them to greater dedication. He merely made vague references to unspecified local self-help programs, new organizational changes in the party and the government, and greater participation by the workers in the decision-making processes. None of the details of these innovations was spelled out either in this speech or the one that followed on 23 August. As a result, a general aura of uncertainty has now developed within the government as officials wait for the next move. This feeling also has spread to the population, which is looking to Fidel for a way out.

### *Structural Changes*

The structural changes that Castro spoke about on 26 July apparently consist primarily of the establishment, within the Cuban Communist Party (PCC), of a Bureau of Social Production on a level with the party's Political Bureau. This bureau theoretically will be the political instrument charged with coordinating the activities of the administrative branches of the government. The bureau will function through several sub-groups, and each of these will be responsible for a particular segment of the economy. One group, for example, concentrates on those administrative branches concerned mainly with consumption, and thus controls the National Institute of the Tourist Industry and the ministries of Domestic Trade, Light Industry, and Food Industry. Another group concerned with manpower oversees the ministries of the Interior, Armed Forces, Labor, and Education. A third group responsible for construction presumably supervises and coordinates the activities of the Construction Ministry and the National Agricultural-Livestock Development Agency.

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The development of the Bureau of Social Production seems to be in line with the "creation and improvement of a new economic organism" described in a Soviet publication last year by two economic officials serving in the Soviet Embassy in Havana, and therefore probably has the blessing of Moscow. All the same it is questionable

*The revolutionary government and the Cuban Communist Party have devoted, and are devoting, much effort and attention to the creation and improvement of a new economic organism which functions, and is governed, on the basis of socialist principles. In the operations of industrial and agricultural enterprises, special emphasis is placed on centralized planned guidance, on the development of direct economic links within the government sector by means of direct product exchange and state budget financing, on eliminating at the same time bureaucratic phenomena in the economic areas by cutting back on the administrative apparatus, extending the authority of administrators in production proper, and supporting local initiative. The over-all economic management plan being drafted and introduced in Cuba proceeds from the definite importance of planning principles, and from the practical possibility of exercising such guidance and direction over all enterprises, taking into account the country's relatively small size, the existence of a well-developed system of roads and communications and the highly centralized character of the sugar industry—Cuba's main production branch.*

B. V. Gorbachev and A. I. Kalinin,  
LATINSKAYA AMERIKA, No. 3, 1969

whether the formation of a new layer of bureaucrats in an already top-heavy administrative structure will do much to overcome production bottlenecks and improve the economic situation. Also, there is no indication that Castro will be any more willing to delegate authority now than he has in the past. So long as he insists on making all major decisions and many minor ones, the economy will be seriously impaired.

*Goals Revised*

In his speech of 26 July, Castro indicated that many economic priorities had been revised. This probably signifies only a modification of goals rather than a basic change in economic strategy. For example, he has apparently revised the plans for industrialization he hoped to carry out during the 1970s. It has been evident for some time that major industrial projects such as the cement plants at Nuevitas and Siguanea and the fertilizer factories at Cienfuegos and Nuevitas are being completed but that there are no large new projects in the planning stage. Industrial investment evidently is being shifted to what Castro termed "microinvestments" (i.e., purchases of lathes, precision instruments, machine tools, motors, and other equipment) designed to achieve maximum utilization of the present industrial plant.

The annual sugar production schedule, which called for a minimum of ten million tons per year from 1970 to 1980, has also been discarded. Castro admitted this when he said that the 1970 production record would be "really difficult to surpass" and that "some day" the record may be broken. His current realistic attitude contrasts with the adamant stand he took previously whenever anyone dared to challenge his assertion that the goal of ten million tons would be met.

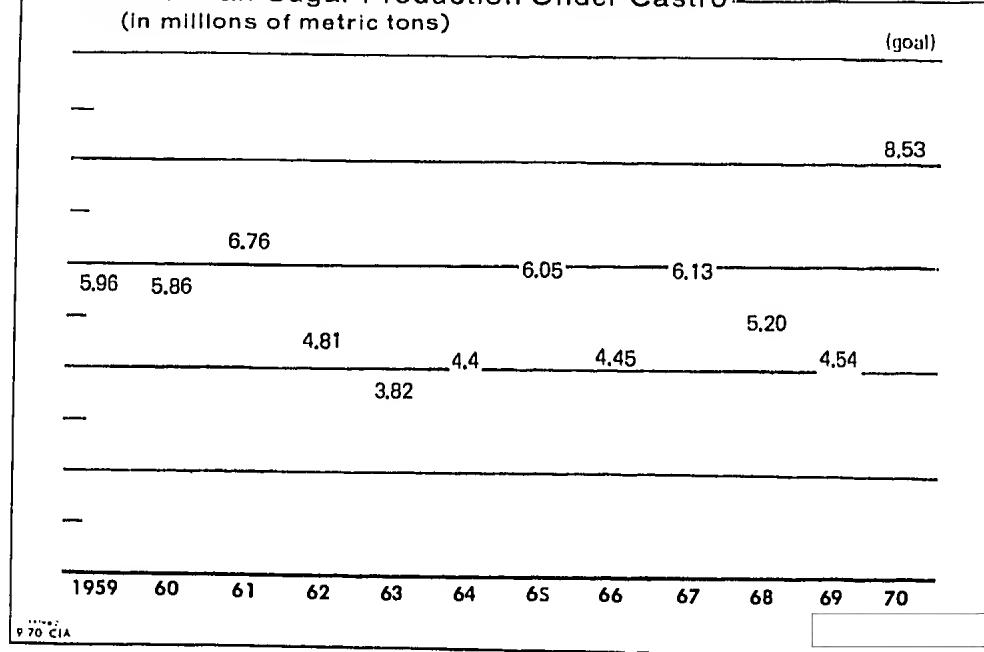
*Personnel Changes*

In the aftermath of this year's harvest, Castro has made several high-level personnel shifts in addition to the structural changes and goal modifications. First to go were Sugar Industry Minister Francisco Padron and Education Minister Jose Llanusa Gobel. Their replacements, Marcos Lage Cuello and Major Belarmino Castilla Mas, are in line with the current pattern of appointing experienced technicians and capable military officers to key positions. Lage formerly served as vice rector of scientific research at Havana University, and Major Castilla Mas, was formerly

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**Annual Cuban Sugar Production Under Castro**  
(In millions of metric tons)



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armed forces vice minister for military technological training. Another armed forces vice minister, Major Jose Fernandez Alvarez, later joined Castilla Mas as first deputy education minister. Padron's ouster was to be expected after the failure to meet the harvest goal. Llanusa lost favor because he failed to produce the teachers and technicians that Castro's ambitious development schemes required.

Also removed was the aging "old Communist," Manuel Lizardo, the ineffective domestic trade minister. An experienced armed forces supply officer who had received specialized training abroad, First Captain Serafin Fernandez Rodriguez, replaced him. In addition, a new cabinet post, the Ministry of Merchant Marine and Ports, was established on 21 August in hopes of solving some of Cuba's maritime transportation problems. Major Angel Joel Chaveco Hernandez, who had served in various capacities in the armed forces air and air defense systems, was named minister.

Many more changes will be forthcoming; Castro said as much on 26 July. He warned, however, that a reshuffling of personnel would mean only little in the battle for greater production because the problems that must be overcome cannot be solved by a few people alone but only by the concerted efforts of the entire population. Ministers are being replaced, he said, because they "are worn out and have lost their energy and cannot cope with the load."

#### *Meeting the Needs of the People*

In the aftermath of the harvest, Castro has come to realize that the people have legitimate demands and needs that can no longer be brushed aside as they have been for years, particularly during the heat of the sugar production campaign. His remarks and those of Labor Minister Risquet indicate that at least a modest effort will be made to ease the lot of the workers. In relation to their needs, however, the effort will be only a beginning.

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Events (probably public disturbances) in Cuba's second largest city, Santiago de Cuba, in early July led Castro to visit the city for three days, mingling with the people and listening to their complaints. Although he obviously was impressed with their plight, the measures he has announced so far are small-scale, stopgap solutions that will do little more than whet the appetite of those in need. For example, he has made no plans for a massive campaign to produce the one million houses he admitted are needed, and he spoke only vaguely of giving the people the means to build houses, shops, and stores so they might provide for their own needs instead of waiting for the government to do it.

In addition, Castro acknowledged that the government can no longer continue to demand that workers put in 14- or 15-hour workdays over extended periods of time, but he insisted that production goals must be met and that on occasion overtime is absolutely necessary. He promised that, as they become available, buses will be assigned to certain areas in acute need of public transportation, but he took no steps to increase either domestic production of vehicles or their importation from abroad.

In the same vein, Risquet said that production of consumer goods at the Santa Clara domestic utensils factory and the Ariguanabo textile plant could be improved if the work forces were not reduced to provide agricultural labor for the 1971 harvest, but he would not flatly rule out that possibility. He also announced that plans for sending deserving workers and their families on brief vacations were being drawn up but admitted that in some cases the plans could not be implemented because of a lack of transportation or a need to maintain production.

It is clear then that years of continued rationing and shortages face the average Cuban and that no basic change is contemplated in the policy of sacrificing the supply of consumer goods in favor of capital goods. It is also clear that the regime's adherence to "moral" incentives (the

awarding of pens, banners, etc., rather than material awards) will continue. Risquet paid lip service to moral incentives in his television interview on 30 July, but some of the measures both he and Castro have advocated, namely houses and vacations for outstanding workers, are in reality material incentives. In permitting such a dual system to develop, Castro is probably hoping to maintain his ideological purity by holding fast to moral inducements while at the same time submitting to Soviet urging to provide material incentives as a means of increasing production.

#### *Strengthening the Mass Organizations*

One of the many detrimental results of concentrating too much attention on the sugar harvest in 1970, according to Castro, was the neglect suffered by the mass organizations, i.e., those groups that have been organized on a national scale to regiment the population. Although the Federation of Cuban Women (FMC) under the leadership of Vilma Espin, Raul Castro's wife, performed well during this period, the Cuban Workers Central Organization (CTC) and the National Association of Owners of Small Farms (ANAP) did not. Both are earmarked for substantial overhauling.

Changes in the structure of ANAP are required because the nature of the country's 227,000 small farms is changing. These farms represent the largest remnant of private ownership still in existence in Cuba and are now in the process of being incorporated into state lands. Although many of the small-farm owners received their land as a result of the redistribution of large estates in the early stages of the revolution, they have demonstrated a reluctance to cooperate fully with the government's agricultural policies. This, in turn, has become irritating to Castro personally. The first sign of this came in December 1969 when, in discussing the mechanization of agriculture, he complained that "small landholding is not a proper method of exploiting the land; it is prehistoric....Modern technology and highly productive machinery require expanses of

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**CONFIDENTIAL****MASS ORGANIZATIONS**

**Committees for the Defense of the Revolution (CDRs)**

National Coordinator: Luis Gonzalez Marturelos  
Membership (1970): 3,222,000 in 67,200 committees

Composition: men and women from all walks of life who wish to participate in activities in support of the government

**Federation of Cuban Women (FMC)**

President: Vilma Espin Guilloys, wife of Armed Forces Minister Raul Castro

Membership (1970): 1,324,751

Composition: women with a revolutionary orientation who wish to demonstrate their support of the government

**National Association of Small Farm Owners (ANAP)**

President: Jose Ramirez Cruz

Membership (1970): 227,000

Composition: all peasants who own their own lands

**Young Communist League (UJC)**

President: Jaime Crombet

Membership (1969): 153,000

Composition: young males and females who aspire to membership in the Cuban Communist Party

**Central Organization of Cuban Workers (CTC)**

Secretary General: Hector Ramos Latour

Membership (1970): 1,895,000 (estimated)

Composition: members of Cuba's 14 remaining labor unions

land." A month later, ANAP president Jose Ramirez Cruz, who was visiting the USSR to study collective farms, told a Soviet audience that "we are only beginning the transformation of our agriculture." Later, criticism was leveled publicly

at ANAP members in Matanzas, Las Villas, and Oriente provinces for absenteeism and poor work discipline, and by April, refugees leaving the country began reporting incidents of confiscation of livestock.

In July, the Cuban radio announced that the first farmers to merge their lands with a government development project had been given new, furnished houses in the town of San Andres. This presumably is the first in a series of "mergers" that eventually will see all small farms absorbed by the state. This would leave a handful of taxicabs, trucks, and coastal fishing boats as the only vestiges of private ownership, and there are indications that even these are gradually disappearing because of government pressure.

ANAP originally was founded to help the farmer get the most out of his land—for example, by financing seed and equipment purchases, providing organized labor during planting and harvesting seasons, and assisting in marketing the produce. It also served to guide the farmer in planting crops to suit the government's agricultural production plans. The association now apparently is to be revamped to engineer the acquisition by the state of all agricultural lands still in private hands. If the pace of construction of replacement housing governs the rate of acquisition of the farms, however, the process of "merging" them with government lands will take many years. Although Castro might well prefer that all land be relinquished immediately to the state, he probably realizes that any attempt to divest the farm owners of their property in the lightning fashion in which 58,000 small businesses were confiscated during the "revolutionary offensive" of 1968 could have disastrous political repercussions. He most likely will be satisfied to accomplish the task gradually.

*Organized Labor*

Because the labor unions constituted a strong base of potential—and at times actual—opposition to his regime, Castro moved early and

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quickly to seize control of the CTC, the national body to which all major unions belonged. He was completely successful in dominating the CTC and in turning it from an organization that pressed the workers' demands on the government into an organization that pressed the government's demands on the workers. He now seems to be trying to modify this process, at least to the point of finding some middle ground between the two extremes.

Instead of merely being responsible for mobilizing the workers to suit government needs, the CTC is now supposed to act as a watchdog to ensure that regulations established by the Labor Ministry and other government agencies relating to worker health, safety, and well-being are properly observed. At the same time, the CTC will play a much more important role in the regimentation of the workers. Although no specific plans for reshaping the structure and mission of the CTC have been publicized, Castro seems to have in mind some vague idea of tying the workers closer to the mill, factory, or other work center. A system of workers' councils apparently is to be organized under the aegis of the CTC, with one council in every work center. The council will assist and advise the work center's administrator on how best to achieve the production goals assigned to the center by the government. Responsibility for final decisions, however, will rest with the administrator.

The council also will be charged with providing for the needs of the workers assigned to the center, a function that currently is the responsibility of the local government apparatus. If, for example, a worker is in desperate need of housing and none is available, he will place his problem before the council at his place of work. The council then will try to arrange for the construction of a new house, using whatever materials, labor force, and facilities are at hand. If workers have difficulty in getting to and from work via existing transport facilities, the council will seek better transportation, using, if necessary, vehicles normally assigned to the work center. If the

workers at a sugar mill do not have adequate medical facilities, the council will supposedly take upon itself the task of building a clinic.

Each council is to be made up of "vanguard" workers representing youth, party members, women, and other sectors of the work center's labor force. The council will be chosen at mass meetings organized by the CTC and attended by all the workers at each center. The system of councils seems sound theoretically, but it will probably not operate any more smoothly in providing for the workers' needs than does the present system of local government. In addition, the practice of having the factory administrator consult with the workers through the council before making decisions seems more likely to impair than improve the decision-making process.



Full mechanization of the 1970 harvest was not achieved; most of the cane was cut by hand.

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**CONFIDENTIAL.***Youth and Vigilance Groups*

Although Castro gave kudos to the watchdog Committees for the Defense of the Revolution (CDR) as well as to the FMC, the CDRs will probably soon undergo changes both in structure and leadership. The national chairman, Luis Gonzalez Marturelos, may well be replaced by a more dynamic leader, but other changes will depend on the use Castro plans to make of the organization. It probably will retain responsibility for vigilance against counterrevolutionary activities as its primary mission and will continue to carry out an important administrative role in the local government apparatus. More information on what Castro has in mind will probably be forthcoming when he makes his usual address on the occasion of the anniversary of the formation of the CDRs on 28 September.

The Young Communists League (UJC) will undoubtedly receive a thorough housecleaning, although here, too, Castro appears to be vague about what changes he has in mind. He spoke of the desirability of eliminating the UJC's professional cadres, but this would seem to be detrimental to his best interests because the professional cadres are the very individuals that mobilize the youth and students on Castro's behalf.

*26 July Speech*

Castro raised several key points in his annual speech on 26 July that seem to be significant shifts in policy. His statement about the workers' being the "true" revolutionaries, for example, suggests that he has found the farmers—who formerly enjoyed this distinction—too conservative. Because the individual farmer—in the old sense of the term "campesino"—is gradually passing out of existence, Fidel seems to be turning to the worker as both the justification and the basic building block of the revolution.

Despite the implication in Castro's speech that he is prepared to delegate a significant degree

of authority, he has no intention of removing himself from any of the important posts he now occupies. When the final structure of the Bureau of Social Production is made public—possibly on the fifth anniversary of the formation of the party in October—Castro will probably be its chief and Raul Castro will be his deputy. Raul presumably will head the group that supervises the Armed Forces, Interior, Labor, and Education Ministries. It is most likely, that Major Juan Almeida will chair the construction group and that President Osvaldo Dorticos will head the economic-financial group. Others such as Carlos Rafael Rodriguez and Major Jesus Montane will probably also hold key posts. In short, Castro will hold the reins and will continue to rely on the same loyal comrades who already constitute the upper level of the hierarchy. Similarly, he will continue to depend on capable military officers and experienced technocrats to staff the middle-level positions.

A major implication of the speech is that Castro is on the defensive. The careful wording of his rhetorical "offer to resign" and the manner in which it was delivered suggest that he was testing the audience, trying to sense the sentiment for and against him, and that he was somewhat fearful of a negative reaction. He ended the speech on an unusual note: "I must say in the name of the party, our leadership, and in my own name, that we are grateful for the people's reaction, attitude, and confidence." The fact that he finished the speech and left the rostrum before remembering to pass on to the audience the sensational news of the acquisition of Che Guevara's death mask and hands indicates the depth of his preoccupation and suggests that he did not really find the warmth and acclamation he was seeking.

*The Security Situation*

Despite Cuba's bleak economic picture and the drop in Castro's popularity, his position is secure. Minor acts of opposition, such as the painting of anti-Castro slogans on walls, appear to be more common, but there are no indications

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that an organized resistance has been formed. The state security forces are strong and remarkably efficient and have been successful in eliminating virtually all organized opposition within the country and in penetrating most anti-Castro exile elements abroad. There is no suggestion that either the armed forces or the security units of the Interior Ministry would fail to support the regime in a time of crisis. Neither are there any signs of plotting in high places; loyalty to Fidel always has been a major criterion in selecting key officials. The regime has demonstrated consistently its ability to eliminate quickly and efficiently any infiltration attempts by exile teams bent on initiating a new guerrilla war in the mountains. Since late 1968, all such attempts have been wrapped up within ten days of the date of infiltration.

*Conclusions*

Castro is deeply concerned about Cuba's grim domestic situation and probably will remain so for some time. He seems to realize the full extent of the detrimental effect of his fanatical drive to produce ten million tons of sugar in one year. He realizes, too, that the drive was pressed forward with such intensity that the failure to achieve the goal after all his boastful assurances has damaged his image. His speech on 26 July was, in part, an attempt to plumb the depths of

popular dissatisfaction with his leadership. The speech produced an air of expectancy that his address on 23 August did nothing to dispel. He himself seems confused, or at least uncertain, about what lies in store for his revolution, and this is bound to be reflected in the attitude of the population. Faced with political and economic facts of life, he appears to be much more willing to listen to advice than in the past. This will probably cause him to continue to adopt policies more in line with Soviet thinking in both the domestic and international spheres. In addition, he will probably resort to repressive measures more frequently as his moral incentives fail to bring about the increases in worker productivity that he is now demanding.

Although he is still in firm control and his position is unchallenged, Castro apparently has doubts about the level of his popularity at home. If he visits the United Nations or Chile, as reports indicate he might, he probably would do so with the intention of trying to restore his image at home by means of a grandstand play. Denouncing an alleged "invasion plot" against Cuba before the UN, for example, would serve a double purpose by casting him in the mold of David fighting Goliath and by creating an ominous military "threat" for the purpose of fanning nationalism and uniting the people against a common enemy. 25X1

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